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September 30, 2005

VIA HAND DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

**RE: Discount Rate Participation, D.T.E. 01-106-B; D.T.E. 05-55; D.T.E. 05-56
Western Massachusetts Electric Company's Comments**

Dear Secretary Cottrell:

Enclosed please find an original and eight (8) copies of Western Massachusetts Electric Company's ("WMECO") comments to the Department of Telecommunications and Energy ("Department") in the above-referenced proceeding. WMECO will also serve the Department electronically, as set forth in the Department's September 27, 2005 Memorandum.

Please contact me should you have any questions.

Very truly yours,

Joanne M. Stratton

Enclosure

**COMMONWEALTH OF MASSACHUSETTS
BEFORE THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

_____)	
Investigation by the Department of)	
Telecommunications and Energy on its own)	D.T.E. 01-106-B
motion into increasing the penetration rate for)	D.T.E. 05-55
discounted electric, gas and telephone service.)	D.T.E. 05-56
_____)	

**COMMENTS OF
WESTERN MASSACHUSETTS ELECTRIC COMPANY**

I. Background

Western Massachusetts Electric Company ("WMECO" or the "Company") has been offering a Residential Discount Rate program since 1988. The original program began as the result of a rate case proceeding, D.P.U. 87-260, and changes to the program were made in subsequent rate case proceedings. The essence of this program is to provide income-eligible customers with a discount on their rates. The discount is paid by all other rate classes. WMECO fully supports enrolling all eligible customers and, has worked diligently to achieve that result.

On September 16, 2005, the Department of Telecommunications and Energy ("Department") held a public hearing in dockets Discount Rate Participation, D.T.E. 01-106-B; Boston Edison Company, Cambridge Electric Light Company, Commonwealth Electric Company, D.T.E. 05-55; and Massachusetts Electric Company and Nantucket Electric Company, D.T.E. 05-56, to permit comment from interested persons on the establishment of a uniform cost recovery mechanism related to the low-income discount

rate. After the public hearing, the Department held a technical session to discuss various elements of the proposed cost recovery tariffs.

At the technical session, Department staff discussed an alternative cost recovery mechanism and agreed to circulate the details of the mechanism for review and comment. WMECO respectfully submits the following comments regarding the Departments Alternative Cost Recovery Mechanism of September 27, 2005.

II. WMECO's Comments

1. All Residential Assistance Adjustment Factor ("RAAF") tariffs will have an effective date of November 1, 2005.

WMECO has no objection to the Residential Assistance Adjustment Factor ("RAAF") having an effective date of November 1, 2005.

2. The adjustment factor will be calculated on a prospective basis, similar to the method proposed in the tariffs that were filed by NSTAR Electric in D.T.E. 05-55. Companies shall forecast the expected low-income shortfall for the next twelve months. Any subsequent over- or under-recovery will be reconciled in the following year.

WMECO has no objection to calculating the expected low-income shortfall on a prospective basis. However, WMECO would like a clarification on the prospective period which WMECO believes is the 12 months ending June of each year. This would correspond to the baseline period.

When implementing the rate for the prospective period the Company believes it is appropriate to make the RAAF rate effective January 1st of each year. This will allow the

Department to maintain past practices for setting effective rates. If the Department agrees with WMECO it would mean that the first reconciliation period could be for a shorter period of time, conceivably two months (Nov.-Dec 2005).

3. Over- or under-recoveries will accrue interest at the prime rate as reported by the Bank of America in Boston, consistent with Department regulations. (220 C.M.R. § 6.08(2)).

WMECO has no objection to accruing interest at the prime rate for any over- or under-recoveries. WMECO seeks clarification as to the date of the effective prime rate and any changes to that rate. Also, WMECO seeks clarification of the application of the prime rate.

4. Companies shall establish a baseline amount of low-income discount that is collected through base rates for the twelve months ending June 30, 2005. The baseline amount shall be calculated as the difference between the base rate revenues that would have been collected from customers receiving the low-income discount during the year ending June 30, 2005, had no low-income discount existed and the actual base rate revenues collected from low-income customers for the twelve months ending June 30, 2005.

WMECO seeks clarification regarding the determination of the correct sales for the baseline period. Specifically, WMECO suggest that weather normalized sales be used to establish the baseline period.

5. On or after July 1, 2005, any amount of low-income discount (whether customers are enrolled in the low-income discount rate through traditional outreach

or the computer matching program) in excess of the baseline amount will be eligible for recovery through the RAAF.

WMECO has no objection to the baseline amount that is eligible for recovery through the RAAF.

6. In the event that a company's total low-income discount in a given year is below the baseline amount, no refund of any baseline amount will be due to ratepayers.

WMECO agrees that in the event a company's total low-income discount in a given year is below the baseline amount, no refund of any baseline amount will be due to ratepayers.

III. Conclusion

WMECO supports the efforts of the Department to increase participation in the low-income discount rate program especially in light of the constantly rising volatile energy prices. The Company also supports the Department in moving forward to develop and implement a recovery mechanism that allows for the increased participation of the low income discount rate program. WMECO appreciates the opportunity to submit these comments.